

Commercial Brokerage + Property Management

April 20, 2012

VIA FACSIMILE 586-6271

late testimony

Honorable Representative Kyle T. Yamashita, Chair  
Honorable Representative James Kunane Tokioka, Vice Chair  
House Members of Legislative Management Committee

**RE: TESTIMONY IN SUPPORT OF SENATE CONCURRENT RESOLUTION  
SCR 90 SD1 (SSCR3384) RELATING TO REQUESTING LRB TO UPDATE 2003  
REPORT ANALYZING THE MAJOR PROBLEMS STILL FACING  
COMMERCIAL AND OTHER LAND LESSEES -- HEARING DATE:  
FRIDAY, APRIL 20, 2012, 12:30PM, CONFERENCE ROOM 309**

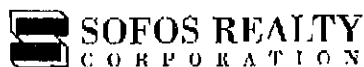
Dear Honorable Chair Kyle T. Yamashita, Vice Chair James Kunane Tokioka, and Members of the House Committee on Legislative Management:

I support passage of Senate Concurrent Resolution SCR90 SD1 requesting the Legislative Reference Bureau to update their 2003 report analyzing the major problems facing commercial and other land lessees. Hawaii continues to have many commercial and industrial businesses operate on leasehold properties that are owned by a few large landowners. There has not been a sufficient supply of fee simple properties within the Honolulu proper for businesses to operate on. Ground rents have been identified as a major expense for businesses and while Hawaii's economy has continued to remain weak similarly to the mainland, ground rents have continued to increase substantially. Nine years ago, the Legislative Reference Bureau reported to the Legislature the major problems facing commercial and other land lessees and many organizations including government agencies have been relying upon the data from the report, which may not accurately reflect conditions or the problems such lessees currently face. Simply put, the report is outdated.

I encourage you to pass this resolution and request that the Legislative Reference Bureau to update their 2003 report with the assistance from the University of Hawaii Economic Research Department and through the State Department of Business, Economic Development and Tourism.

Aloha,

S. Steven Sofos, President/CEO  
Sofos Realty Corporation  
600 Kapiolani Boulevard, Suite 200  
Honolulu, HI 96813



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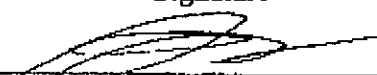
**RE: TESTIMONY IN SUPPORT OF SENATE CONCURRENT RESOLUTION  
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Dear Honorable Chair Kyle T. Yamashita, Vice Chair James Kunane Tokioka, and Members of  
the House Committee on Legislative Management:

**PETITION:**

We support passage of Senate Concurrent Resolution SCR 90 SD1 (SSCR 3384) requesting the  
Legislative Reference Bureau to update their 2003 report analyzing the major problems facing  
commercial and other land lessees. Many businesses continue to operate on leasehold properties  
that are owned by a few large landowners. Ground rents have been identified as a major expense  
for businesses and while Hawaii's economy has continued to remain weak similarly to the  
mainland, ground rents have continued to increase substantially. It has been nearly 10 years since  
the Legislative Reference Bureau had reported to the Legislature as to the major problems facing  
commercial and other land lessees and the data on which many government agencies have been  
relying upon in the effort to revitalize Hawaii's economy is outdated.

We urge your approval of this concurrent resolution.

Print Name	Signature	Address
S. Steven Sofos		600 Kapiolani Blvd #200, Honolulu HI 96813